

## TALS-Allotments Policy Issues

### Issue #2

Should allotments for cash receipts be required by source code?

### Current Policy

Agencies are required to submit cash receipts allotments by source code. Unlike revenue transactions, however, actual cash receipt transactions are not required to be recorded by source code, so there is no certain way to compare actuals to allotments at this level. This approach to recording cash transactions is the standard accounting approach for cash. Detail about type and source is recorded with the expenditure or revenue transaction in the accounting system—cash is just cash. Although agencies can record revenues as “cash revenues” this method is not always used, nor will it capture all cash transactions, some of which are not related to revenue.

### Options

	Alternative 1	Alternative 2
Description	Continue to require cash receipts allotments by source code.	Require cash receipts allotments only by account and month.
Benefits	<ul style="list-style-type: none"><li>- Provides information used in developing OFM revenue forecast for General Fund-State.(The Forecast Council uses a cash forecast rather than revenue.)</li><li>- Provides analytical tool for forecasting cash flow throughout the biennium.</li></ul>	<ul style="list-style-type: none"><li>- Eliminates work for agencies, assuming they don't need this information for their own management purposes.</li><li>- Eliminates review effort by OFM analysts.</li></ul>
Risks or Consequences	<ul style="list-style-type: none"><li>- Requires agencies to make estimates on cash flow by source, although they may not have historical information readily available to assist them in making these estimates.</li><li>- Not clear whether this information is of value to agencies or the legislature</li></ul>	<ul style="list-style-type: none"><li>- No identified substitute for providing the information that OFM revenue analyst uses to meet business needs.</li></ul>
Implementation issues	Consider requiring information at the source code level only for the GF-S revenue sources	Need better tools to provide appropriate comparisons of cash receipt allotments at a roll-up level with actuals for tracking purposes.

	Alternative 1	Alternative 2
Critical success factors		

### **Proposed Approach**

Alternative 1, retain cash receipts allotments at source level, for GFS forecasted revenues only.

### **Concerns/Comments from Stakeholders**